

First Quarterly Report

SEPTEMBER 30, 2022

[Un-Audited]

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GHANDHARA
NISSAN LIMITED

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Corporate Information

Board of Directors

Lt. Gen. (Retd.) Ali Kuli Khan Khattak	Chairman
Mr. Ahmad Kuli Khan Khattak	Chief Executive Officer
Mrs. Shahnaz Sajjad Ahmad	
Mr. Sikandar Kuli Khan Khattak	
Mr. Mohammad Zia	
Syed Haroon Rashid	
Mr. Muhammad Saleem Baig	
Mr. Polad Merwan Polad	
Mr. Salman Rasheed (FCA)	
Mr. Muhammad Jawaid Iqbal (CFA)	

Chief Financial Officer

Ms. Bushra Hanif Farooqui

Company Secretary

Mr. Muhammad Sheharyar Aslam (ACA)

Audit Committee

Mr. Polad Merwan Polad	Chairman
Lt. Gen. (Retd.) Ali Kuli Khan Khattak	Member
Mr. Salman Rasheed (FCA)	Member
Mr. Muhammad Zia	Member
Mr. Muhammad Saleem Baig	Member

Human Resource & Remuneration Committee

Mr. Muhammad Jawaid Iqbal (CFA)	Chairman
Mr. Ahmad Kuli Khan Khattak	Member
Mrs. Shahnaz Sajjad Ahmad	Member
Mr. Mohammad Zia	Member
Mr. Polad Merwan Polad	Member

Auditors

M/s. Shinewing Hameed Chaudhri & Co.
Chartered Accountants
5th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi

Bankers of the Company

National Bank of Pakistan
Faysal Bank Limited
Habib Bank Limited
Allied Bank Limited
United Bank Limited
Soneri Bank Limited
MCB Bank Limited
Standard Chartered Bank (Pakistan) Limited
Industrial & Commercial Bank of China
The Bank of Punjab
The Bank of Khyber
Meezan Bank Limited - (Shariah)
Bank Al Habib Limited
Bank Alfalah Islamic - (Shariah)
JS Bank Limited
Samba Bank Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited - (Shariah)
Habib Metropolitan Bank Limited
MCB Islamic Bank Limited - (Shariah)

NTN: 0802990-3

Sales Tax Registration No: 12-03-8702-001-46

Share Registrars

CDC Share Registrar Services Ltd.
CDC House, 99-B, Block-B
S.M.C.H.S., Main Shakra-e-Faisal
Karachi.

Legal & Tax Advisors

M/s. L E X F I R M A
Advocates, Barristers & Legal Consultants
418, Continental Trade Centre, Clifton, Karachi.

M/s. Shekha & Mufti
Chartered Accountants
C-253, PECHS., Block 6, Off Shahrah-e-Faisal, Karachi.

Registered Office

F-3, Hub Chowki Road, S.I.T.E., Karachi

Factory

Truck / Car Plants
Port Bin Qasim, Karachi

Regional Offices

First Floor, Laban's Arcade | 400/2, Gammon House
Main Canal Road, Lahore | Peshawar Road Rawalpindi Cantt.

First Quarterly Report

SEPTEMBER 30, 2022

Gandhara Nissan Limited



Directors' Report

Your Directors are pleased to present the quarterly report alongwith the condensed interim financial statements of Gandhara Nissan Limited for the first quarter ended September 30, 2022.

Economy at a Glance

The economy is currently undergoing a severe correction, triggered by both internal and external factors. Growth is now expected to reach only around 2 percent in FY23. Due to higher energy prices, the weaker Rupee, and flood-related disruptions to agricultural production, inflation is projected to rise to around 23 percent in FY23.

Although, revival of domestic activities remained on track during the quarter, the rapid increase in both the deficits and inflation necessitated tightening of monetary policy and a tighter fiscal stance.

Auto-Sector

During the first quarter, the auto sector faced serious unforeseen external challenges on account of unprecedented depreciation of PKR against the US Dollar, challenges in opening letters of credit imposed by SBP as a result of dwindling foreign exchange reserves will further induce halt in manufacturing resulting in loss of production.

As per PAMA, sales volumes of auto industry for Heavy Commercial Vehicles (HCVs) were 852 units during the quarter ended September 30, 2022 as compared to 1,570 units during the corresponding period of last year showing a decline of 46%. Similarly, for Light Commercial Vehicles (LCVs), sales were 1,345 units during the quarter ended September 30, 2022 as compared to 4,338 units during the corresponding period of last year showing a decline of 69%.

Financial Results of the Company

The financial results for the period ended September 30, 2022 are summarized below:

	Quarter ended	
	September 2022	September 2021
	(Rupees in thousands)	
Revenue	2,927,723	969,916
Gross Profit	55,002	142,842
Operating (Loss)/ Profit	(18,307)	93,681
Net (Loss)/ Profit after tax	(78,366)	67,067
(Loss)/ Earnings Per Share (Rupees)	(1.37)	1.18

Reasons for the Loss and Future Prospects of Profit

The main reason of loss during the quarter is fall in gross profit of the company as a result of FOREX impact on the cost of imported material and higher cost of doing business.

Management is continuously making efforts for growth in sales volumes and profitability. However, rupee devaluation and increase in global commodity prices are posing new challenges.

Related Party Transactions

All transactions with related parties have been executed at arm's length and have been disclosed in the financial statements.

Future Outlook

The economic challenges that the company faced last year continue to persist. Slowdown in the country's economy, high inflation, rising interest rates, Rupee devaluation and natural calamities are likely to pose a challenge to the overall business sector in Pakistan. However, the Board and management remain committed to taking all possible actions to meet the challenges and commitment to improve performance of the Company and create value for all our stakeholders.

The directors are grateful to the Principals, customers, vendors, bankers and other business associates for their continued patronage and support.

For and on behalf of the Board of Directors



Ahmad Kuli Khan Khattak
Chief Executive Officer



Muhammad Saleem Baig
Director

Karachi
Dated: October 26, 2022

نقصان کی وجوہات مستقبل میں منافع کے امکانات

سہ ماہی کے دوران نقصان کی بنیادی وجہ درآمدی میٹریل پر فاریکس کے اثرات اور کاروبار کرنے کی زیادہ لاگت تھی، جس کے نتیجے میں ادارے کے مجموعی منافع میں کمی واقع ہوئی۔ انتظامیہ فروخت کے حجم اور منافع میں اضافے کے لیے مسلسل کاوشیں کر رہی ہے۔ تاہم، روپے کی قدر میں کمی اور ایشیا کی عالمی قیمتوں میں اضافے سے چیلنجز کو جنم دے رہا ہے۔

متعلقہ پارٹی سے لین دین

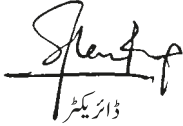
متعلقہ فریقوں کے ساتھ تمام لین دین کو مکمل طور پر اثر و رسوخ سے آزاد انداز میں سرانجام دیا گیا ہے اور مالیاتی گوشواروں میں ظاہر کیا گیا ہے۔

مستقبل کا منظر نامہ

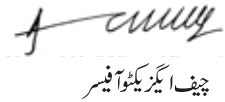
ادارے کیلئے گزشتہ سال درپیش معاشی چیلنج بدستور برقرار ہیں۔ ملکی معیشت میں سست روی، بڑھتی ہوئی مہنگائی، شرح سود میں اضافہ، روپے کی قدر میں کمی اور قدرتی آفات پاکستان کے مجموعی کاروباری شعبے کے لیے ایک چیلنج بن سکتے ہیں۔ تاہم، بورڈ اور انتظامیہ چیلنجز سے نمٹنے کے لیے تمام ممکنہ اقدامات کرنے اور کمپنی کی کارکردگی کو بہتر بنانے اور ہمارے تمام اسٹیک ہولڈرز کے لیے منفعت پیدا کرنے کے عزم پر قائم ہے۔

ڈائریکٹرز اہم شرائط داروں، صارفین، دکانداروں، بینکرز اور دیگر کاروباری ساتھیوں کے ان کی مسلسل سرپرستی اور تعاون کے شکرگزار ہیں۔

بورڈ آف ڈائریکٹرز کے لیے اور اس کی جانب سے



ڈائریکٹر



چیف ایگزیکٹو آفیسر

کراچی

26 اکتوبر 2022

ڈائریکٹرز کی شیمز ہولڈرز کو رپورٹ

آپ کے ڈائریکٹرز 30 ستمبر 2022 کو ختم ہونے والی پہلی سہ ماہی کے لیے گندھارا انسان لمیٹڈ کے عبوری مالیاتی گوشواروں کے ساتھ سہ ماہی رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

معیشت پر ایک نظر

اندرونی اور بیرونی عوامل سے متاثر ہونے والی معیشت اس وقت اپنی بحالی کیلئے قند و مد سے گزر رہی ہے۔ مالی سال 2023 میں اب شرح نمو صرف 2 فیصد تک پہنچنے کی توقع ہے۔ توانائی کی بلند قیمتوں، کمزور روپیہ اور زرعی پیداوار میں سیلاب سے متعلق رکاوٹوں کی وجہ سے مالی سال 2023 میں افراط زر تقریباً 23 فیصد تک بڑھنے کا امکان ہے۔

اگرچہ سہ ماہی کے دوران ملک میں ہونے والی سرگرمیاں بحالی کے راستے پر گامزن رہیں، تاہم خسارے اور افراط زر میں تیزی سے اضافے کی وجہ سے مالیاتی پالیسی اور مالیاتی موقف کو سختی سے اپنانے کی ضرورت موجود رہتی ہے۔

آٹو سیکٹر

پہلی سہ ماہی کے دوران، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی بے مثال گرانی کی وجہ سے آٹو سیکٹر کو سنگین غیر متوقع بیرونی چیلنجز کا سامنا کرنا پڑا۔ غیر ملکی زرمبادلہ کے ذخائر میں کمی کے نتیجے میں اسٹیٹ بینک کی طرف سے عائد کردہ پابندی کی وجہ سے لیٹرز آف کریڈٹ کھلنے میں درپیش چیلنجز کی وجہ سے مینوفیکچرنگ میں رکاوٹ پیدا ہو سکتی ہے، جس کے نتیجے میں پیداوار کا نقصان ہونے کا احتمال ہے۔

PAMA کے مطابق، 30 ستمبر 2022 کو ختم ہونے والی سہ ماہی کے دوران ہیوی کمرشل و ہیکلز (HCVs) کے لیے آٹو انڈسٹری کی فروخت کا حجم 852 گاڑیاں تھا، جو کہ گزشتہ سال کی اسی مدت کے دوران 1,570 گاڑیوں کے مقابلے میں 46 فیصد کمی کو ظاہر کرتا ہے۔ اسی طرح، ہلکی کمرشل گاڑیوں (LCVs) کے لیے، 30 ستمبر 2022 کو ختم ہونے والی سہ ماہی کے دوران فروخت 1,345 گاڑیاں تھی جو کہ گزشتہ سال کی اسی مدت کے دوران 4,338 گاڑیوں کے مقابلے میں 69 فیصد کمی کو ظاہر کرتی ہے۔

مالیاتی کارکردگی

30 ستمبر 2022 کو ختم ہونے والی سہ ماہی کے مالی نتائج کا خلاصہ درج ذیل ہے:

2022 ستمبر	2021 ستمبر	
		(روپے ہزاروں میں)
2,927,723	969,916	آمدنی
55,002	142,842	مجموعی منافع
(18,307)	93,681	آپریٹنگ (نقصان) منافع
(78,366)	67,067	خالص (نقصان) / بعد از ٹیکس منافع
(1.37)	1.18	(نقصان) / فی شیئر آمدنی (روپے)

Condensed Interim Statement of Financial Position

AS AT SEPTEMBER 30, 2022

		Un-audited	Audited
	Note	September 30,	June 30,
		2022	2022
(Rupees in '000)			
ASSETS			
Non current assets			
Property, plant and equipment	5	5,375,574	5,427,099
Intangible assets		1,837	1,960
Long term investments		222,906	222,906
Long term loans		4,379	4,754
Long term deposits		27,672	23,148
Due from Subsidiary Company		778,877	797,027
		6,411,245	6,476,894
Current assets			
Stores, spares and loose tools		210,635	169,235
Stock-in-trade	6	2,078,583	2,731,376
Trade debts		284,459	330,323
Loans and advances		68,159	55,414
Deposits and prepayments		57,256	613
Investments		-	675,863
Other receivables		66,777	289,942
Accrued interest / mark-up		52,765	43,121
Taxation - net		369,674	305,357
Bank balances	7	2,660,065	2,119,985
		5,848,373	6,721,229
Total assets		12,259,618	13,198,123



Ahmad Kuli Khan Khattak
Chief Executive



Muhammad Saleem Baig
Director



Bushra Hanif Farooqui
Chief Financial Officer

Condensed Interim Statement of Financial Position

AS AT SEPTEMBER 30, 2022

	Un-audited September 30, 2022	Audited June 30, 2022
	(Rupees in '000)	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised capital		
- 80,000,000 (June 30, 2021: 80,000,000) ordinary shares of Rs.10 each	800,000	800,000
Issued, subscribed and paid-up capital		
- 57,002,500 (June 30, 2021: 57,002,500) ordinary shares of Rs.10 each	570,025	570,025
Capital reserves		
- share premium	1,102,721	1,102,721
- surplus on revaluation of fixed assets - net	2,134,525	2,142,524
	3,237,246	3,245,245
Revenue reserve - unappropriated profits	2,210,984	2,281,351
Total equity	6,018,255	6,096,621
Liabilities		
Non current liabilities		
Lease liabilities	48,565	43,063
Long term borrowings	807,370	845,553
Deferred income - government grant	185,815	196,854
Long term deposits	27,226	28,226
Deferred taxation - net	237,289	252,289
	1,306,265	1,365,985
Current liabilities		
Trade and other payables	4,327,569	5,274,185
Accrued mark-up	27,134	36,739
Short term borrowings	262,201	93,765
Current portion of lease liabilities	19,788	20,359
Current maturity of long term borrowings	245,608	258,146
Current portion of deferred income - government grant	42,219	41,722
Unclaimed dividend	10,579	10,601
	4,935,098	5,735,517
Total liabilities	6,241,363	7,101,502
Contingencies and commitments		
Total equity and liabilities	12,259,618	13,198,123

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Ahmad Kuli Khan Khattak
Chief Executive



Muhammad Saleem Baig
Director



Bushra Hanif Farooqui
Chief Financial Officer

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Note	Quarter ended September 30, 2022	Quarter ended September 30, 2021
(Rupees in '000)			
Revenue - net		2,927,723	969,916
Cost of sales	10	(2,872,721)	(827,074)
Gross profit		55,002	142,842
Distribution cost		(39,878)	(25,091)
Administrative expenses		(63,362)	(53,343)
Other income		94,329	39,453
Other expenses		(64,398)	(10,180)
(Loss)/ Profit from operations		(18,307)	93,681
Finance cost		(38,462)	(12,268)
(Loss)/ Profit before taxation		(56,769)	81,414
Taxation		(21,597)	(14,347)
(Loss)/ Profit after taxation		(78,366)	67,067
Other comprehensive income		-	-
Total comprehensive (loss)/ income for the period		(78,366)	67,067
(Rupees)			
(Loss)/ Earnings per share - basic and diluted		(1.37)	1.18

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Ahmad Kuli Khan Khattak
Chief Executive



Muhammad Saleem Baig
Director



Bushra Hanif Farooqui
Chief Financial Officer

Condensed Interim Statement of Changes In Equity (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserve - Unappro- priated profit	Total
		Share premium	Surplus on revaluation of fixed assets		
Balance as at July 1, 2021	570,025	1,102,721	(Rupees in '000) 2,176,240	2,158,630	6,007,616
Total comprehensive income for the three months period ended September 30, 2021					
Profit for the period	-	-	-	67,067	67,067
Other comprehensive income	-	-	-	-	-
	-	-	-	67,067	67,067
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-	(8,429)	8,429	-
Balance as at September 30, 2021	570,025	1,102,721	2,167,811	2,234,126	6,074,683
Balance as at July 1, 2022	570,025	1,102,721	2,142,524	2,281,351	6,096,621
Total comprehensive income for the three months period ended September 30, 2022					
Profit for the period	-	-	-	(78,366)	(78,366)
Other Comprehensive income	-	-	-	-	-
	-	-	-	(78,366)	(78,366)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-	(7,999)	7,999	-
Balance as at September 30, 2022	570,025	1,102,721	2,134,525	2,210,984	6,018,255

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Ahmad Kuli Khan Khattak
Chief Executive



Muhammad Saleem Baig
Director



Bushra Hanif Farooqui
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

Adjustments for non-cash charges and other items:

Depreciation and amortisation

Provision for gratuity

Interest income

Gain on disposal of operating fixed assets

Dividend income

Finance cost

Exchange loss - net

Operating profit before working capital changes

(Increase) / decrease in current assets:

Stores, spares and loose tools

Stock-in-trade

Trade debts

Loans and advances

Deposit and prepayments

Other receivables

Increase / (decrease) in trade and other payables

Cash (used in) / generated from operations

Long term loans - net

Long term deposits - net

Finance cost paid


Income taxes (paid) / refund - net

Net cash (used in) / generated from operating activities - carried forward

	September 30, 2022	September 30, 2021
	(Rupees in '000)	
Profit before taxation	(56,769)	81,414
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	84,795	32,881
Provision for gratuity	3,167	3,167
Interest income	(71,886)	(34,268)
Gain on disposal of operating fixed assets	(173)	-
Dividend income	(17,426)	-
Finance cost	38,078	11,872
Exchange loss - net	64,398	4,146
Operating profit before working capital changes	44,184	99,212
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(41,400)	(16,446)
Stock-in-trade	652,793	(252,380)
Trade debts	45,864	(50,108)
Loans and advances	(12,745)	(1,819)
Deposit and prepayments	(56,643)	2,092
Other receivables	223,165	5,787
	811,034	(312,874)
Increase / (decrease) in trade and other payables	(1,014,180)	48,436
Cash (used in) / generated from operations	(158,962)	(165,226)
Long term loans - net	375	1,906
Long term deposits - net	(4,524)	(656)
Finance cost paid	(47,683)	(7,644)
Income taxes (paid) / refund - net	(100,916)	(35,551)
Net cash (used in) / generated from operating activities - carried forward	(311,710)	(207,171)



Ahmad Kuli Khan Khattak
Chief Executive



Muhammad Saleem Baig
Director



Bushra Hanif Farooqui
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	September 30, 2022	September 30, 2021
	(Rupees in '000)	
Net cash (used in) / generated from operating activities - brought forward	(311,710)	(207,171)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for fixed capital expenditure	(24,154)	(44,753)
Proceeds from disposal of property, plant and equipment	1,785	714
Interest income received	62,242	25,418
Dividend received	17,426	-
Due from Subsidiary Company - net	18,150	7,873
Short term investment - net	675,863	-
Net cash used in investing activities	751,312	(10,748)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liabilities - net	(5,673)	(10,989)
Long term borrowings - net	(61,263)	(13,775)
Long term deposits - net	(1,000)	-
Short term borrowings - net	168,436	169,786
Net cash generated from financing activities	100,478	145,022
Net increase in cash and cash equivalents	540,080	(72,897)
Cash and cash equivalents at beginning of the period	2,119,985	1,029,202
Cash and cash equivalents at end of the period	2,660,065	956,305

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Ahmad Kuli Khan Khattak
Chief Executive



Muhammad Saleem Baig
Director



Bushra Hanif Farooqui
Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

1. THE COMPANY AND ITS OPERATIONS

Ghandhara Nissan Limited (the Company) was incorporated on August 8, 1981 in Pakistan as a private limited company and subsequently converted into a public limited company on May 24, 1992. The Company is a subsidiary of Bibojee Services (Private) Limited. The registered office of the Company is situated at F-3, Hub Chowki Road, S.I.T.E., Karachi. Its manufacturing facilities are located at Port Qasim, Karachi and regional offices in Lahore and Rawalpindi. The Company's shares are listed on Pakistan Stock Exchange Limited.

The principal business of the Company is assembly / progressive manufacturing of vehicles including JAC Trucks and Chery SUVs, import and sale of parts / Nissan, Dongfeng and Renault vehicles in completely built-up condition and assembly of other vehicles under contract agreement.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Act differ with the requirements of IAS 34 or IFAS, the provisions of and directives issued under the Act have been followed.

- 2.2 These condensed interim financial statements do not include all the statements and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2022.

3. ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements of the Company for the year ended June 30, 2022.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2022. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these condensed interim financial statements.

- 3.2 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

- 3.3 Actuarial valuations are carried out on annual basis. The last actuarial valuation was carried out on June 30, 2022. The impact of re-measurement of post-employment benefit plans has not been incorporated in these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2022.

	Note	Un-audited September 30, 2022	Audited June 30, 2022
(Rupees in '000)			
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	5,121,211	5,195,295
Right of use assets	5.2	87,973	83,324
Capital work-in-progress		166,390	148,480
		5,375,574	5,427,099
5.1 Operating fixed assets			
Book value at beginning of the period / year		5,195,295	3,370,264
Additions during the period / year	5.1.1	6,244	2,005,790
Transfer from right of use asset		-	-
Disposals - at book value		-	(4,408)
Depreciation charge for the period / year		(80,328)	(176,351)
Book value at end of the period / year		5,121,211	5,195,295
5.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:			
Leasehold land		-	202,336
Buildings on freehold land		1,025	3,300
Buildings on leasehold land		-	441,424
Plant and machinery		5,080	532,903
Assembly Jigs		-	794,041
Furniture and fixtures		-	11,298
Owned vehicles		-	13,958
Other equipment		-	1,627
Office equipment		52	1,487
Computers		87	3,416
		6,244	2,005,790
5.2 Right of use assets			
Book value at beginning of the period / year		83,324	93,403
Additions during the period / year		10,604	16,931
Disposals - at book value		(1,612)	(6,531)
Transferred to operating fixed assets		-	-
Depreciation charged during the period / year		(4,343)	(20,479)
Net book value at end of the period		87,973	83,324

Notes to the Condensed Interim Financial Statements (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Un-audited September 30, 2022	Audited June 30, 2022
	(Rupees in '000)	
6. STOCK IN TRADE		
Raw materials		
- in hand	435,953	930,874
- in transit	30,800	817,959
	466,753	1,748,833
Finished goods		
- in hand	1,176,463	970,703
- in transit	435,367	11,840
	1,611,830	982,543
	2,078,583	2,731,376
7. BANK BALANCES		
Cash at banks in:		
- current accounts	94,352	133,133
- saving accounts	1,666,136	1,077,563
- deposit account	400,845	410,557
- term deposits receipts	502,644	502,644
	2,663,976	2,123,897
Provision for doubtful bank balances	(3,912)	(3,912)
	2,660,065	2,119,985
8. LONG TERM BORROWINGS		
Loan under refinance scheme for payment of wages and salaries - opening balance	54,550	68,049
Demand finance loan	326,780	374,544
Loan from Dubai Islamic Bank Limited under Islamic Temporary Economic Refinance Facility (ITERF)	400,000	400,000
Loan from JS Bank Limited under TERF	499,682	499,682
Adjustment pertaining to fair value of loan at below market interest rate (government grant)	(228,034)	(238,576)
	1,052,978	1,103,699
Current portion grouped under current liabilities	(245,608)	(258,146)
	807,370	845,553
9. CONTINGENCIES AND COMMITMENTS		
9.1	There is no change in status of the contingencies as disclosed in note 28.1 of the audited annual financial statements of the Company for the year ended June 30, 2022.	
9.2	Commitment in respect of irrevocable letters of credit as at September 30, 2022 aggregate to Rs.2,428,256 thousand (June 30, 2022: Rs.826,186 thousand).	
9.3	Guarantees aggregating Rs.27,134 thousand (June 30, 2022: Rs.27,134 thousand) are issued by banks of the Company to various government and other institutions. Further, the Company has issued corporate guarantees aggregating Rs.916,200 thousand (June 30, 2022: Rs.583,954 thousand) to the commercial banks against banking facilities utilised by the Subsidiary Company.	

Notes to the Condensed Interim Financial Statements (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

		Un-audited	
		Three months period ended	
		September 30,	September 30,
		2022	2021
		(Rupees in '000)	
10. COST OF SALES	<i>Note</i>		
Finished goods at beginning of the period		970,703	531,270
Cost of goods manufactured	10.1	3,020,698	675,930
Purchases - trading goods		57,783	150,388
		3,078,481	826,318
		4,049,184	1,357,588
Finished goods at end of the period		(1,176,463)	(530,514)
		2,872,721	827,074
10.1 Cost of goods manufactured			
Raw materials and parts consumed		2,661,016	471,840
Factory overheads		359,682	204,090
		3,020,698	675,930

11. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the Holding Company, the Subsidiary Company, Associated Companies, directors of the Company, companies in which directors are interested, staff retirement benefit plans, key management personnel (head of department) and close members of the families of the directors & key management personnel. The Company in the normal course of business carries out transactions with various related parties and are settled in ordinary course of business. Significant transactions with and balance of related parties are as follows:

Related party name along with relation	Nature of transaction	Un-audited	Un-audited
		September 30,	September 30,
		2022	2021
(Rupees in '000)			
(i) Holding Company			
Bibojee Services (Private) Limited - 57.76% shares held in the Company	Corporate office rent	1,997	1,815
	Contract assembly charges	-	2,106
(ii) Subsidiary Company			
Ghandhara DF (Private) Limited 99.99% shares held by the Company (11.1)	Contract assembly charges	14,742	5,054
	Purchase of parts	69	463
	Sale of parts	42	39
	Receipts against long term advances - net	18,150	7,873
	Interest income	35,058	12,029
	Guarantee commission	1,970	1,341
	Rent Income	2,325	-

Notes to the Condensed Interim Financial Statements (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

Related party name along with relation	Nature of transaction	Un-audited September 30, 2022	Un-audited September 30, 2021
(Rupees in '000)			
(iii) Associated Companies			
Gandhara Industries Limited 19.09% shares held by the Company (11.1)	Contract assembly charges	237,203	220,993
	Purchase of parts	-	78
	Head office rent	1,063	966
	Fabrication of vehicle	-	750
	Sale of parts	6	-
	Purchase of car	2	-
Gandhara Tyre and Rubber Company Limited (11.1)	Purchase of tyres, tubes and flaps	10,312	4,361
Gammon Pakistan Limited (11.1)	Office rent	998	908
Janana De Malucho Textile Mills Limited (11.1)	Reimbursement of expenses	607	-
(iv) Others			
Staff provident fund	Contribution made	3,201	3,007
Key management personnel	Remuneration and other short term benefits	24,939	23,621

11.1 Associated company by virtue of common directorship.

	Un-audited September 30, 2022	Un-audited June 30, 2022
(Rupees in '000)		
11.2 Period / year end balances are as follows:		
Debit balances / receivables from related parties		
Long term investments	222,906	222,906
Long term loans	33	579
Trade debts	87,568	104,821
Loan and advances	40	18
Other receivables	3,802	951
Accrued interest / mark-up	35,058	32,414
Due from subsidiary	778,877	797,027
Payable to related parties		
Trade and other payables	8,419	3,391

12. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financials statements of the Company for the year ended June 30, 2022.

Notes to the Condensed Interim Financial Statements (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

13. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for the year ended June 30, 2022 and the corresponding figures in the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial statements of the Company for the three months ended September 30, 2021. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 26, 2022 by the Board of Directors of the Company.



Ahmad Kuli Khan Khattak
Chief Executive

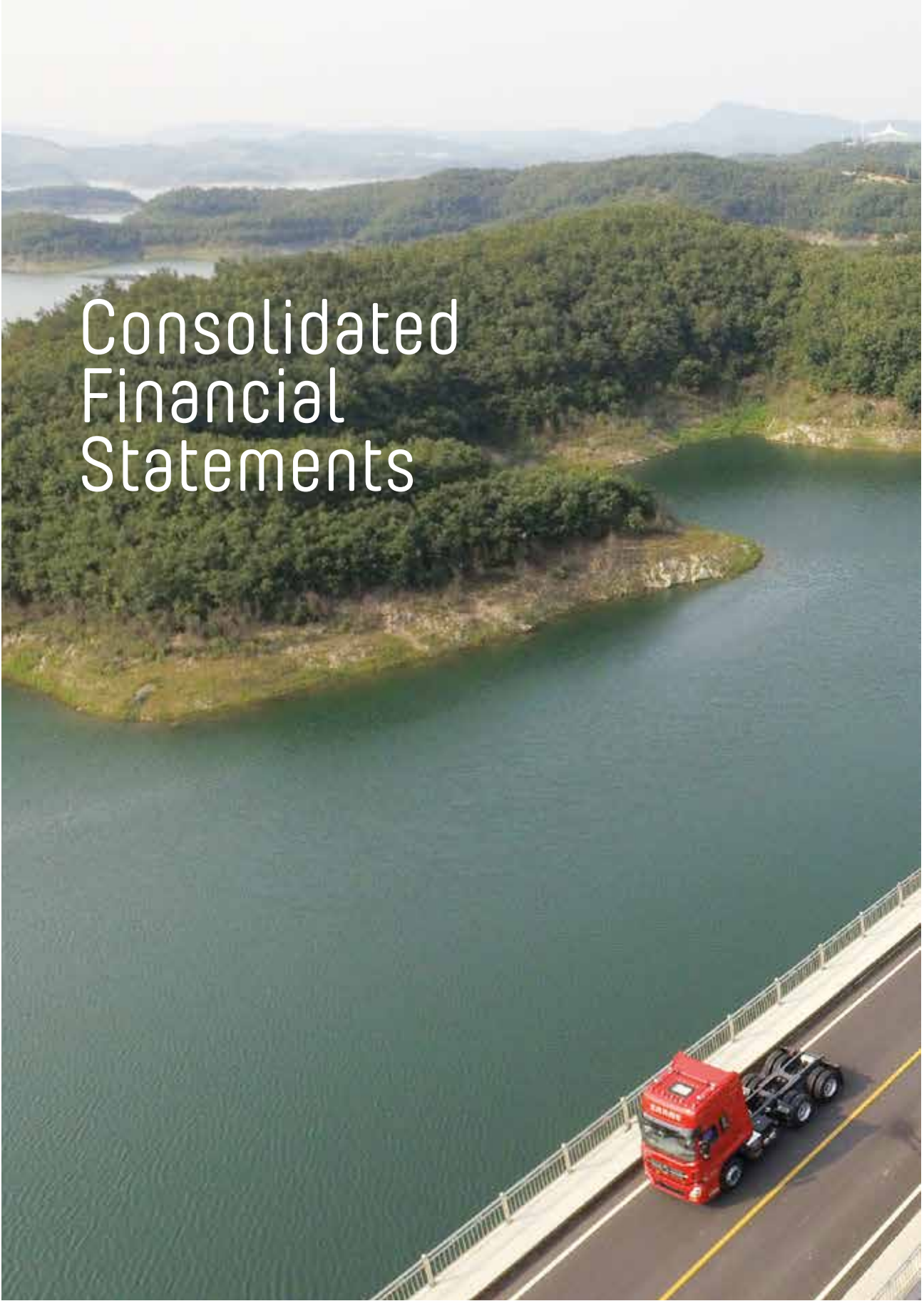


Muhammad Saleem Baig
Director



Bushra Hanif Farooqui
Chief Financial Officer

Consolidated Financial Statements





Directors' Report on Consolidated Financial Statements

The directors are presenting their report together with consolidated financial statements of Ghandhara Nissan Limited and its subsidiary Ghandhara DF (Pvt.) Limited for the period ended 30th September, 2022.

The financial results for the period ended September 30, 2022 are summarized below:

	Quarter ended September 2022	September 2021
	(Rupees in thousands)	
Revenue	3,590,661	1,131,457
Gross Profit	166,705	180,874
Operating (Loss)/ Profit	33,413	103,909
Net (Loss)/ Profit after tax	(140,746)	105,434
(Loss)/ Earnings Per Share (Rupees)	(2.47)	1.85

The main reason of loss during the quarter is fall in gross profit of the company as a result of FOREX impact on the cost of imported material and higher cost of doing business, increase in finance cost and share of loss accounted for an associated company under Equity method.

Going forward, with the expected recovery in macro-economic variables, we are hopeful of steady improvement in financial performance of the group. The group is taking adequate measures to bring efficiencies and create value for the stakeholder. The Group aims to capitalize on the opportunities to achieve cost reduction in order to improve margins.

For and on behalf of the Board of Directors



Ahmad Kuli Khan Khattak
Chief Executive Officer



Muhammad Saleem Baig
Director

Karachi

Dated: October 26, 2022

اجتماعی مالیاتی گوشواروں پر ڈائریکٹرز رپورٹ

ڈائریکٹرز گندھارا انسان لمیٹڈ اور اس کے ذیلی ادارے گندھارا ڈی ایف (پرائیویٹ) لمیٹڈ کے 30 ستمبر 2022 کو ختم ہونے والے سال کے مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

30 ستمبر 2022 کو ختم ہونے والے سال کے مالی نتائج کا خلاصہ ذیل میں دیا گیا ہے:

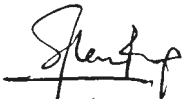
(روپے ہزاروں میں)

2022 ستمبر	2021 ستمبر	
3,590,661	1,131,457	آمدنی
166,705	180,874	مجموعی منافع
33,413	103,909	آپریٹنگ منافع
(140,746)	105,434	خالص (نقصان) / بعد از ٹیکس منافع
(2.47)	1.85	(نقصان) / فی شیئر آمدنی (روپے)

سہ ماہی کے دوران ادارے کے نقصان کی اہم وجہ درآمدی میٹیریل کی لاگت اور کاروبار کرنے کی زیادہ لاگت پر فاریکس کے اثرات ہیں اور ساتھ ہی مالیاتی لاگت میں اضافہ اور ایکویٹی طریقہ کے تحت ملحقہ ادارے کے ساتھ نقصان میں حصہ داری کے نتیجے میں بھی ادارے کو نقصان کا سامنا کرنا پڑتا ہے۔

مستقبل پر نظر رکھتے ہوئے، میکرو اکنامک متغیرات میں متوقع بحالی کے ساتھ، ہم گروپ کی مالی کارکردگی میں مسلسل بہتری کے لیے پُر امید ہیں۔ گروپ استعداد کار بڑھانے اور اسٹیک ہولڈر کے لیے منفعت بخش کرنے کے لیے مناسب اقدامات کر رہا ہے۔ گروپ کا مقصد مارجن کو بہتر بنانے کیلئے لاگت میں کمی حاصل کرنے کے مواقع سے فائدہ اٹھانا ہے۔

برائے و منجانب بورڈ آف ڈائریکٹرز


ڈائریکٹر



چیف ایگزیکٹو آفیسر

کراچی

تاریخ: 26 اکتوبر 2022

Consolidated Condensed Interim Statement of Financial Position

AS AT SEPTEMBER 30, 2022

		Un-audited	Audited
	<i>Note</i>	September 30, 2022	June 30, 2022
(Rupees in '000)			
ASSETS			
Non current assets			
Property, plant and equipment	6	5,390,672	5,442,916
Intangible assets		3,618	3,874
Long term investments	7	1,224,242	1,312,254
Long term loans		9,769	9,914
Long term deposits		30,490	25,708
		6,658,791	6,794,666
Current assets			
Stores, spares and loose tools		210,635	169,235
Stock-in-trade	8	3,539,002	4,331,960
Trade debts		1,021,900	697,381
Loans and advances		78,496	56,531
Deposits and prepayments	9	69,641	5,738
Investments		-	675,863
Accrued interest / mark-up		18,224	11,074
Other receivables including sales tax		170,972	456,538
Taxation - net		426,834	387,383
Cash and bank balances	10	2,675,879	2,239,593
		8,211,583	9,031,296
Total assets		14,870,375	15,825,962



Ahmad Kuli Khan Khattak
Chief Executive



Muhammad Saleem Baig
Director



Bushra Hanif Farooqui
Chief Financial Officer

Consolidated Condensed Interim Statement of Financial Position

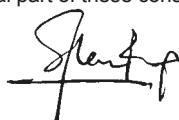
AS AT SEPTEMBER 30, 2022

	Un-audited	Audited
Note	September 30, 2022	June 30, 2022
	(Rupees in '000)	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised capital		
- 80,000,000 (June 30, 2022: 80,000,000) ordinary shares of Rs.10 each	800,000	800,000
Issued, subscribed and paid-up capital		
- 57,002,500 (June 30, 2022: 57,002,500) ordinary shares of Rs.10 each	570,025	570,025
Capital reserves		
- share premium	1,102,721	1,102,721
- surplus on revaluation of fixed assets - net	2,805,028	2,813,584
- Items directly credited to equity by an Associate	78,151	77,594
	3,985,900	3,993,899
Revenue reserve - unappropriated profits	3,040,350	3,175,876
Equity attributable to shareholders of the Holding Company	7,596,275	7,739,800
Non-controlling interest	57	46
Total equity	7,596,332	7,739,846
Liabilities		
Non current liabilities		
Lease liabilities	50,430	45,298
Long term borrowings	807,370	845,553
Deferred income - government grant	185,815	196,854
Long term deposits	34,226	35,226
Deferred taxation - net	234,455	249,307
	1,312,297	1,372,238
Current liabilities		
Trade and other payables	5,228,441	5,752,007
Accrued mark-up	36,528	48,356
Short term borrowings	377,184	581,211
Current portion of lease liabilities	21,187	21,835
Current maturity of long term borrowings	245,608	258,146
Current portion of deferred income - government grant	42,219	41,722
Unclaimed dividend	10,579	10,601
	5,961,746	6,713,878
Total liabilities	7,274,042	8,086,116
Contingencies and commitments		
Total equity and liabilities	14,870,375	15,825,962

The annexed notes from 1 to 17 form an integral part of these consolidated condensed interim financial statements.



Ahmad Kuli Khan Khattak
Chief Executive



Muhammad Saleem Baig
Director



Bushra Hanif Farooqui
Chief Financial Officer

Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Note	Quarter ended September 30, 2022	Quarter ended September 30, 2021
(Rupees in '000)			
Revenue - net		3,590,661	1,131,457
Cost of sales	13	(3,423,955)	(950,583)
Gross profit		166,705	180,874
Distribution cost		(46,857)	(33,097)
Administrative expenses		(77,635)	(62,541)
Other income		55,598	28,853
Other expenses		(64,398)	(10,180)
Profit from operations		33,413	103,909
Finance cost		(53,895)	(18,470)
		(20,482)	85,439
Share of (loss)/ profit of an Associate		(87,994)	36,379
(Loss)/ profit before taxation		(108,476)	121,818
Taxation		(32,270)	(16,384)
(Loss)/ profit after taxation		(140,746)	105,434
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Share of other comprehensive income of an Associate of:			
- re-measurement of staff retirement benefit obligation - net		(2,779)	(748)
Other comprehensive (loss) - net of tax		(2,779)	(748)
Total comprehensive income for the period		(143,525)	104,686
Attributable to:			
- Shareholders of the Holding Company		(143,528)	104,686
- Non-controlling interest		3	-
		(143,525)	104,686
(Rupees)			
(Loss)/ Earnings per share - basic and diluted		(2.47)	1.85

The annexed notes from 1 to 17 form an integral part of these consolidated condensed interim financial statements.



Ahmad Kuli Khan Khattak
Chief Executive



Muhammad Saleem Baig
Director



Bushra Hanif Farooqui
Chief Financial Officer

Consolidated Condensed Interim Statement of Changes In Equity (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Share capital	Share premium	Capital reserves		Revenue reserve - Unappropriated profit	Total	Non - controlling interest
			Surplus on revaluation of fixed assets	Items directly credited to equity by an Associate			
Balance as at July 1, 2021 (audited)	570,025	1,102,721	2,849,529	75,365	2,874,533	7,472,173	54
(Rupees in '000)							
Total comprehensive income for the three months period ended September 30, 2021	-	-	-	-	105,434	105,434	-
Loss for the period	-	-	-	-	(748)	(748)	-
Other comprehensive income / (loss)	-	-	-	-	104,686	104,686	-
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(8,429)	-	8,429	-	-
Effect of item directly credited in equity by an Associate	-	-	(557)	557	-	-	-
Balance as at September 30, 2021 (un-audited)	570,025	1,102,721	2,840,543	75,922	2,987,648	7,576,859	54
Balance as at July 1, 2022 (audited)	570,025	1,102,721	2,813,584	77,594	3,175,876	7,739,800	54
Total comprehensive income for the three months period ended September 30, 2022	-	-	-	-	(140,746)	(140,746)	3
Profit for the year	-	-	-	-	(2,779)	(2,779)	-
Other comprehensive loss	-	-	-	-	(143,525)	(143,525)	3
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation / disposal - net of deferred tax	-	-	(7,999)	-	7,999	-	-
Effect of item directly credited in equity by an Associate	-	-	(557)	557	-	-	-
Balance as at September 30, 2022 (un-audited)	570,025	1,102,721	2,805,028	78,151	3,040,350	7,596,275	57

The annexed notes from 1 to 17 form an integral part of these consolidated condensed interim financial statements.



Ahmad Kuli Khan Khattak
Chief Executive



Muhammad Saleem Baig
Director



Bushra Hanif Farooqui
Chief Financial Officer

Consolidated Condensed Interim Statement of Cash Flows (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	September 30, 2022	September 30, 2021
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/ profit before taxation	(108,476)	121,818
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	85,653	33,662
Provision for gratuity	3,760	3,760
Interest income	(72,061)	(22,239)
Gain on disposal of property, plant and equipment	(173)	(2,191)
Dividend income - mutual funds' investment	(17,426)	-
Share of (profit) / loss of an Associate	87,994	(36,379)
Finance cost	53,895	18,470
Exchange (gain) / loss - net	64,398	4,146
Operating profit before working capital changes	97,564	121,047
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(41,400)	(16,446)
Stock-in-trade	792,958	(544,224)
Trade debts	(324,519)	(7,091)
Loans and advances	(21,965)	(1,068)
Deposit and prepayments	(63,903)	(57,389)
Other receivables	285,566	(8,880)
	626,737	(635,098)
Increase in trade and other payables	(561,969)	188,805
Cash (used in) / generated from operations	162,332	(325,246)
Long term loans - net	145	2,162
Long term deposits - net	(1,000)	-
Finance cost paid	(99,495)	(12,529)
Income taxes (paid) / refunds - net	(86,426)	(46,057)
Net cash (used in) / generated from operating activities	(24,444)	(381,670)



Ahmad Kuli Khan Khattak
Chief Executive



Muhammad Saleem Baig
Director



Bushra Hanif Farooqui
Chief Financial Officer

Consolidated Condensed Interim Statement of Cash Flows (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	September 30, 2022	September 30, 2021
	(Rupees in '000)	
Net cash (used in) / generated from operating activities	(24,444)	(381,670)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for fixed capital expenditure	(24,154)	(44,828)
Proceeds from disposal of property, plant and equipment	1,785	74,127
Interest income received	62,242	13,914
Investments	675,863	-
Dividend received	17,426	-
Long term deposits - net	(1,000)	(693)
Net cash generated from / (used in) investing activities	732,162	42,520
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease finances - net	(6,119)	(11,428)
Long term borrowings obtained - net	(61,263)	(13,775)
Short term borrowings - net	(204,027)	246,012
Net cash generated from / (used in) financing activities	(271,431)	220,809
Net (decrease) / increase in cash and cash equivalents	436,286	(118,341)
Cash and cash equivalents at beginning of the period	2,239,593	1,085,823
Cash and cash equivalents at end of the period	2,675,879	967,482

The annexed notes from 1 to 17 form an integral part of these consolidated condensed interim financial statements.



Ahmad Kuli Khan Khattak
Chief Executive



Muhammad Saleem Baig
Director



Bushra Hanif Farooqui
Chief Financial Officer

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

1. THE GROUP AND ITS OPERATIONS

1.1 The Group consists of Ghandhara Nissan Limited (the Holding Company) and Ghandhara DF (Private) Limited (the Subsidiary Company).

1.2 Ghandhara Nissan Limited

Ghandhara Nissan Limited (the Holding Company) was incorporated on August 8, 1981 in Pakistan as a private limited company and subsequently converted into a public limited company on May 24, 1992. The registered office of the Holding Company is situated at F-3, Hub Chowki Road, S.I.T.E., Karachi. Its manufacturing facilities are located at Port Qasim, Karachi and regional offices in Lahore and Rawalpindi. The Holding Company's shares are listed on Pakistan Stock Exchange Limited. Bibojee Services (Private) Limited is the ultimate holding company of the Group.

The principal business of the Holding Company is assembly / progressive manufacturing of vehicles including JAC Trucks and Chery SUVs, import and sale of parts and Nissan, Dongfeng & Renault vehicles in Completely Built-up condition and assembly of other vehicles under contract agreement.

1.3 Ghandhara DF (Private) Limited

Ghandhara DF (Private) Limited (the Subsidiary Company) was incorporated on June 25, 2013 in Pakistan as a private limited company. The registered office of the Subsidiary Company is situated at F-3, Hub Chowki Road, S.I.T.E., Karachi. It has outsourced assembly of the vehicles to the Holding Company.

The Subsidiary Company has cooperation agreement with DongFeng Commercial Vehicles Limited dated December 11, 2013 as well as 'Motor Vehicles & Related Products Distribution' agreements with Wuhan DongFeng Foreign Trade Company Limited (a subsidiary company of DongFeng Automobile Company Limited) dated January 24, 2014.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated condensed interim financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed. These consolidated condensed interim financial statements of the Group for the three months period ended September 30, 2022 is un-audited.

2.2 These consolidated condensed interim financial statements do not include all the statements and disclosures as required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended June 30, 2022.

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

3. ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of audited annual consolidated financial statements of the Group for the year ended June 30, 2022.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2022 are considered not to be relevant or to have any significant effect on the Group's financial reporting and operations.

- 3.2 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.
- 3.3 The Group follows the practice of conducting actuarial valuations annually at the year end. Hence, the impact of remeasurement of post-employment benefit plans has not been incorporated in the consolidated condensed interim financial statements.

4. PRINCIPLES OF CONSOLIDATION

These consolidated condensed interim financial statements include the condensed interim financial statements of Holding Company and its Subsidiary Company. The Holding Company's direct interest in the Subsidiary Company is 99.99% as at September 30, 2022 (June 30, 2022: 99.99%).

Consolidated condensed financial statements combines like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its Subsidiary, offset (eliminate) the carrying amount of the Holding Company's investment in Subsidiary and the Holding Company's portion of equity of Subsidiary and eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group.

Non-controlling interest is equity in the Subsidiary Company not attributable, directly or indirectly, to the Holding Company.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual consolidated financial statements of the Group for the year ended June 30, 2022.

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Right of use assets
Capital work-in-progress

		Un-audited September 30, 2022	Audited June 30, 2022
	Note		
		(Rupees in '000)	
	6.1	5,132,334	5,206,928
	6.2	91,948	87,508
		166,390	148,480
		5,390,672	5,442,916

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

		Un-audited	Audited
	Note	September 30, 2022	June 30, 2022
(Rupees in '000)			
6.1 Operating fixed assets			
Book value at beginning of the period / year		5,206,928	3,380,514
Additions during the period / year	6.1.1	6,244	2,009,269
Disposals - at book value		302,729	(4,408)
Depreciation charge for the period / year		(80,838)	(178,447)
Book value at end of the period / year		5,132,334	5,206,928
6.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:			
Leasehold land		-	202,336
Buildings on freehold land		1,025	3,300
Buildings on leasehold land		-	441,424
Plant and machinery		5,080	532,903
Assembly Jigs		-	794,041
Furniture and fixtures		-	11,298
Owned vehicles		-	13,958
Other equipment		-	1,627
Office equipment		52	1,487
Computers		87	3,416
		6,244	2,005,790
6.2 Right of use assets			
Book value at beginning of the period / year		87,508	99,602
Additions during the period / year		10,604	16,931
Disposals during the period / year		(1,612)	(7,419)
Depreciation charged during the period / year		(4,552)	(21,606)
Net book value at end of the period		91,948	87,508
7. LONG TERM INVESTMENTS			
Associate - equity accounted investment	7.1	1,224,242	1,312,254
Others - available for sale	7.2	-	-
		1,224,242	1,312,254
7.1 Ghandhara Industries Limited			
Balance at beginning of the period / year		1,312,254	1,049,588
Share of profit / (loss) for the period / year		(88,012)	263,414
Share of other comprehensive (loss) / income for the period / year		-	(748)
Balance at end of the period / year		1,224,242	1,312,254

7.1.1 Investment in Ghandhara Industries Limited (GIL) represents 8,132,336 (June 30, 2022: 8,132,336) fully paid ordinary shares of Rs.10 each representing 19.09% (June 30, 2022: 19.09%) of its issued, subscribed and paid-up capital as at September 30, 2022. GIL was incorporated on February 23, 1963 and its shares are quoted on Pakistan Stock Exchange Limited. The principal activity of GIL is the assembly, progressive manufacturing and sale of Isuzu trucks and buses.

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

- 7.1.2** The value of investment in GIL is based on financial statements of the investee company as at June 30, 2022. The latest financial statements of GIL as at September 30, 2022 are not presently available.
- 7.1.3** The market value of investment as at September 30, 2022 was Rs.1,190,167 thousand (June 30, 2022: Rs.1,284,665 thousand).
- 7.1.4** 3,924,684 (June 30, 2022: 3,924,684) shares of GIL having fair value Rs. 574,377 thousand (June 30, 2022: Rs.619,982 thousand) are under lien of a commercial bank as collateral against short term finance facility.

	Un-audited September 30, 2022	Audited June 30, 2022
7.2 Others - available for sale	Note	
	(Rupees in '000)	
Automotive Testing & Training Centre (Private) Limited 187,500 (June 30, 2022: 187,500) ordinary shares of Rs.10 each - cost	1,875	1,875
Provision for impairment	(1,875)	(1,875)
	-	-
8. STOCK IN TRADE		
Raw materials		
- in hand	978,795	1,592,715
- in transit	436,946	1,002,534
	1,415,741	2,595,249
Finished goods		
- in hand	1,687,895	1,724,871
- in transit	435,367	11,840
	2,123,262	1,736,711
	3,539,002	4,331,960
9. DEPOSITS AND PREPAYMENTS		
Deposits	-	-
Prepaid		
- rent	-	238
- insurance	9,420	-
	9,420	238
Current account balances with statutory authorities	60,220	5,500
	69,641	5,738
10. CASH AND BANK BALANCES		
Cash in hand	394	394
Cash at banks in:		
- current accounts	97,659	151,828
- saving accounts	1,672,450	1,115,982
- deposit accounts	400,845	410,557
- term deposits receipts	508,444	564,744
	2,679,397	2,243,111
Provision for doubtful bank balances	(3,912)	(3,912)
	2,675,879	2,239,593

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

11. LONG TERM BORROWINGS	Un-audited	Audited
	September 30, 2022	June 30, 2022
	(Rupees in '000)	
Loan under refinance scheme for payment of wages and salaries	54,550	68,049
Demand finance loan	326,780	374,544
Loan from Dubai Islamic Bank Limited under Islamic Temporary Economic Refinance Facility (ITERF)	400,000	400,000
Loan from JS Bank Limited under TERF	499,682	499,682
Adjustment pertaining to fair value of loan at below market interest rate	(228,034)	(238,576)
	1,052,978	1,103,699
Current portion grouped under current liabilities	(245,608)	(258,146)
	807,370	845,553

12. CONTINGENCIES AND COMMITMENTS

- 12.1 There is no material change in status of the contingencies as disclosed in note 26.1 of the audited annual consolidated financial statements of the Group for the year ended June 30, 2022.
- 12.2 Commitment in respect of irrevocable letters of credit as at September 30, 2022 aggregate to Rs. 3,018,914 thousand (June 30, 2022: Rs.1,067,318 thousand).
- 12.3 Guarantees aggregating Rs.27,134 thousand (June 30, 2022: Rs.89,234 thousand) are issued by banks of the Group to various government and other institutions. Further, the Holding Company has issued corporate guarantees aggregating Rs.916,200 thousand (June 30, 2022: Rs.583,954 thousand) to the commercial banks against running finances and letters of credit facilities utilised by the Subsidiary Company.

13. COST OF SALES	Note	Un-audited	
		Three months period ended September 30, 2022	September 30, 2021
		(Rupees in '000)	
Finished goods at beginning of the period		1,724,871	926,073
Cost of goods manufactured	13.1	3,319,044	766,458
Purchases - trading goods		67,935	176,755
		3,386,979	943,213
		5,111,960	1,869,286
Finished goods at end of the period		(1,687,895)	(918,703)
		3,423,955	950,583
13.1 Cost of goods manufactured			
Raw materials and parts consumed		2,930,450	552,477
Factory overheads		388,594	213,981
		3,319,044	766,458

14. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the ultimate Holding Company, Associated Companies, directors of the Holding and subsidiary Company, companies in which directors are interested, staff retirement benefit plans, key

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

management personnel and close members of the families of the directors & key management personnel. The Group in the normal course of business carries out transactions with various related parties and are settled in ordinary course of business. Significant transactions with and balance of related parties are as follows:

Related party along name with relation	Nature of transaction	Un-audited	
		Three months period ended September 30, 2022	September 30, 2021
		(Rupees in '000)	
(i) Ultimate Holding Company			
Bibojee Services (Private) Limited - 57.76% shares held in the Holding Company	Corporate office rent Contract assembly revenue	1,997 -	1,815 2,106
(ii) Associated Companies			
Gandhara Industries Limited 19.09% shares held by the Holding Company (14.1)	Contract assembly revenue Purchase of parts Sale of parts Fabrication of vehicle Head office rent Purchase of car	237,203 - 6 - 1,063 2	220,993 78 - 750 966 -
Gandhara Tyre and Rubber Company of Pakistan (14.1)	Purchase of tyres, tubes and flaps	10,312	4,361
Gammon Pakistan Limited (14.1)	Office rent	998	908
Janana De Malucho Textile Mills Limited (14.1)	Reimbursement of expenses	607	-
(iii) Others			
Staff provident fund Key management personnel	Contribution made Remuneration and other short term benefits	3,201 24,939	3,007 23,954
14.1	Associated company by virtue of common directorship.	Un-audited September 30, 2022	Un-audited June 30, 2022
		(Rupees in '000)	
14.2 Period / year end balances are as follows:			
Debit balances / receivables from related parties			
Long term loans		33	579
Loan and advances		40	18
Trade debts		72,826	98,679
Payable to related parties			
Trade and other payables		8,419	3,391

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

15. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited annual financials statements of the Group for the year ended June 30, 2022.

16. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the Consolidated condensed interim statement of financial position has been compared with the balances of audited annual consolidated financial statements of the Group for the year ended June 30, 2022, whereas, the Consolidated condensed interim statement of profit or loss and other comprehensive income, Consolidated condensed interim statement of changes in equity and Consolidated condensed interim statement of cash flows have been compared with the balances of comparable period of Consolidated condensed interim financial statements of the Group for the period ended September 30, 2021. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

17. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on October 26, 2022 by the Board of Directors of the Holding Company.



Ahmad Kuli Khan Khattak
Chief Executive



Muhammad Saleem Baig
Director



Bushra Hanif Farooqui
Chief Financial Officer



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